

## Message Text

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12

ACTION EB-07

INFO OCT-01 EUR-12 EA-09 ISO-00 COME-00 TRSE-00 CIAE-00

INR-07 NSAE-00 STR-04 INT-05 /045 W

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R 140225Z JUL 76

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 0783

INFO USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY STOCKHOLM

UNCLAS TOKYO 10565

E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: FORMATION OF JAPANESE SPECIALTY STEEL EXPORT CARTEL

REF: TOKYO A-214 (JUNE 17, 1976)

1. ACCORDING TO THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI), ON JULY 19 AN EXPORT CARTEL WILL BE ESTABLISHED BY THE 20 LEADING EXPORTERS OF SPECIALITY STEEL PRODUCTS RECENTLY PLACED UNDER IMPORT RESTRAINTS BY THE U.S. THE CARTEL, ORGANIZED UNDER MITI ADMINISTRATIVE GUIDANCE PURSUANT TO ARTICLE 5-1 OF THE EXPORT AND IMPORT TRADING LAW (SEE REFAIR.), WILL APPORTION THE U.S. QUOTA FOR THE FIVE RESTRICTED CATEGORIES OF SPECIALTY STEEL ON THE BASIS OF HISTORICAL PERFORMANCES OF THE MEMBERS. ACCORDING TO PRESS REPORTS CALENDAR YEARS 1973-75 AND APRIL 1-JUNE 20, 1976. WILL BE USED AS THE BASE PERIOD FOR DETERMINING COMPANY SHARES. EMBASSY, HOWEVER, WAS UNABLE TO CONFIRM THIS INFORMATION EITHER THROUGH MITI OR INDUSTRY SOURCES. MITI WILL INVOKE ARTICLE 28 OF THE EXPORT AND IMPORT TRADING LAW TO IMPOSE QUOTAS ON NON-MEMBERS OF THE CARTEL WHICH ARE BELIEVED TO ACCOUNT FOR LESS THAN 20 PERCENT OF EXPORTS TO THE U.S.

2. THIS IS THE FIRST STEEL-RELATED EXPORT CARTEL TO BE FORMED BY EXPORTES (CHIEFLY TRADING COMPANIES) RATHER THAN MANUFACTURERS. PRESS REPORTS INDICATE THAT MITI DECIDED TO FORM

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THE CARTEL AT THE EXPORTERS' LEVEL ON THE BASIS OF LEGAL ADVICE

THAT THIS ARRANGEMENT WILL BE LESS VULNERABLE TO ANTI-TRUST  
LITIGATION IN THE U.S. THAN EXPORT CONTROL BY A MANUFACTURERS'  
CARTEL.

3. CARTEL MEMBERS ARE: ATAKA & CO., LTD., C. ITOH & CO., LTD.,  
OKURA TRADING CO., LTD., OKAYA & CO., LTD., KANEMATSU-GOSHO LTD.,  
KAWASHO CORP., KINSHO-MATAICHI CORP., SUMIKIN BUSSAN KAISHA, LTD.,  
SUMITOMO SHoji KAISHA, LTD., TOYO MENKA KAISHA, LTD., TOYODA  
TSUSHO KAISHA, LTD., NICHIMEN CO., LTD., NISSHO-IWAI CO., LTD.,  
NOMURA TRADING CO., LTD., HANWA CO., LTD., MARUBENI CORP., MITSUI &  
CO., LTD., MITSUBISHI CORP., NIKKO BOEKI KAISHA LTD., AND ABE  
BRIGHT SHAFT MFG. CO., LTD.  
HODGSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEELS, CARTELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** ETRD, JA  
**To:** STATE  
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